

Introduced by Senator DeSaulnier

April 29, 2013

Senate Joint Resolution No. 11—Relative to housing with services.

LEGISLATIVE COUNSEL’S DIGEST

SJR 11, as introduced, DeSaulnier. Housing with services.

This measure would urge the President and Congress of the United States to support housing with services models to achieve federal goals of using subsidized housing as a platform for service and encourage the President and Congress of the United States to expand Sections 1115 and 1915(c) federal Medicare waivers to test and integrate services into affordable housing settings.

Fiscal committee: no.

1 WHEREAS, “Housing with services” is unlicensed, subsidized,
2 congregate properties for low-income seniors that provide access
3 to a range of health-related and supportive services available to
4 residents on a voluntary basis. Services are provided by
5 appropriately credentialed providers and can include care
6 coordination from an interdisciplinary team, resident service
7 coordinators, and health educators, or colocation of health services,
8 for example a federally qualified health center or Program of
9 All-Inclusive Care for the Elderly (PACE), onsite. Housing with
10 services can enable residents to age in place, reduce hospital and
11 emergency room usage, and postpone the need for costly
12 institutional care; and

13 WHEREAS, According to the California Department of Aging,
14 the population over 60 years of age is expected to grow more than
15 twice as fast as the total population. Older adults will have an

1 overall increase of 112 percent during the period from 1990 to
2 2020. California's oldest old-age group, those over 85 years of
3 age, will increase at an even faster rate than older adults, having
4 an overall increase of 143 percent during the period from 1990 to
5 2020. The surge of the 85 years of age and over age group in
6 California is expected to emerge most strongly between 2030 and
7 2040, as the first of the "baby boomers" reach 85 years of age; and

8 WHEREAS, Ten percent of Californians over 65 years of age
9 live in poverty, and 21 percent live below 150 percent of the
10 poverty line, according to the American Community Survey. In
11 the United States, the percent of older Americans in poverty
12 increases with age, with the oldest of elderly people most likely
13 to be poor. Nationwide, 10 percent of persons 75 years of age and
14 older were considered poor, compared to 8 percent of persons 65
15 to 74 years of age; and

16 WHEREAS, Approximately 1.3 million very low income seniors
17 are assisted through publicly subsidized housing, very low income
18 being defined as less than 50 percent of the area median income.
19 The Section 202 Supportive Housing for the Elderly program is
20 the only United States Department of Housing and Urban
21 Development (HUD) program that currently provides housing
22 exclusively for elderly households, with approximately 263,000
23 units. In 2006, HUD reported that 38 percent of all Section 202
24 properties reported having a service coordinator on staff. Service
25 coordinators in HUD developments for elderly persons and persons
26 with disabilities work with residents to coordinate a wide range
27 of services. These include the arrangement of transportation, meal
28 services, housekeeping, medication management, visits from
29 nurses, dentists, and massage therapists, haircuts, and social
30 activities; and

31 WHEREAS, The nexus between affordable senior housing and
32 long-term services and supports is natural. According to HUD's
33 fiscal year 2013 proposed budget, 38 percent of seniors in Section
34 202 properties are frail or near frail, requiring assistance with at
35 least three basic activities of living, such as eating, bathing,
36 grooming, dressing, or home management activities, and thus can
37 be considered at risk for premature institutionalization; and

38 WHEREAS, Research has also found that service-enriched
39 housing for the elderly, and the presence of service coordinators
40 in particular, enables older residents to remain in their homes

1 longer. A satisfaction study found that residents residing in
2 properties that offered service coordination had an average length
3 of stay that was six months longer than properties that did not offer
4 service coordination; and

5 WHEREAS, The cost of institutionalization exceeds the cost of
6 housing with services models. In 2004, the cost of a stay in a
7 nursing home funded by Medi-Cal was approximately \$49,000 on
8 average, while the cost of Section 202 housing plus the most
9 frequently provided services, such as food, transportation, and
10 housekeeping, is estimated to cost only \$13,000. If a fuller set of
11 personal services is provided for very frail elders, the cost of
12 housing plus services is estimated at approximately \$25,000, about
13 one-half of the cost of skilled nursing care; and

14 WHEREAS, As stated in HUD's fiscal year 2013 proposed
15 budget, it is the department's goal to use its housing as a platform
16 to deliver a wide variety of services to improve the quality of life
17 of its residents. HUD seeks to build formal and informal
18 relationships with public and private healthcare providers, and
19 with health education organizations, to provide access to healthcare
20 information and services for recipients of HUD assistance. HUD's
21 fiscal year 2013 proposed budget provides a total of \$625 million
22 for the Supportive Housing for the Elderly and the Supportive
23 Housing for Persons with Disabilities programs, which include
24 \$154 million to support 5,300 additional supportive housing units
25 to better connect residents with the supportive services they need
26 to age in place and live independently; and

27 WHEREAS, The state is directed under the Olmstead Plan to
28 improve its long-term care system so that its residents have
29 available an array of community care options that allow them to
30 avoid unnecessary institutionalization. The Olmstead Plan includes
31 goals to include services that transition individuals from
32 institutional settings to the most integrated settings appropriate for
33 their needs, including the California Community Transitions
34 (CCT). CCT is California's Money Follows the Person Program.
35 Numerous research studies cite access to affordable housing as a
36 barrier to transitioning a greater number of individuals out of
37 nursing homes; and

38 WHEREAS, Many state programs have sought to rebalance
39 spending of health care dollars toward home and community-based
40 services and away from institutional settings, such as nursing

1 homes. California is one of seven states that invested more
2 Medicaid long-term care funding for Home and Community-Based
3 Services than for long-term institutional care based on data from
4 the 2008 and 2009. Subsidized housing communities can support
5 additional rebalancing efforts by offering economies of scale that
6 can increase service delivery efficiencies. These efficiencies can
7 result in a more regular support presence and more affordable care;
8 now, therefore, be it

9 *Resolved by the Senate and the Assembly of the State of*
10 *California, jointly,* That the Legislature applauds methods that
11 promote greater collaboration between affordable housing providers
12 and HCBS that divert seniors from institutionalization and
13 encourage aging in place; and be it further

14 *Resolved,* That the Legislature urges the President and Congress
15 of the United States to support housing with services models to
16 achieve federal goals of using subsidized housing as a platform
17 for service delivery; and be it further

18 *Resolved,* That the Legislature encourages the President and
19 Congress of the United States to expand Sections 1115 and 1915(c)
20 federal Medicare waivers to test and integrate services into
21 affordable housing settings; and be it further

22 *Resolved,* That the Secretary of the Senate transmit copies of
23 this resolution to the President and the Vice President of the United
24 States, to the Speaker of the House of Representatives, to the
25 Majority Leader of the Senate, and to each Senator and
26 Representative from California in the Congress of the United
27 States.